



STATE OF INDIANA
OFFICE OF THE GOVERNOR
State House, Second Floor
Indianapolis, Indiana 46204

Michael R. Pence
Governor

September 30, 2013

United States Senate
Washington, DC

Dear Senator,

On behalf of the people of Indiana, I am writing to urge you to support legislation before the Senate today that includes a repeal of the Affordable Care Act's medical device tax. The repeal of this tax will help companies that create products that improve and save lives and employ 20,000 Hoosiers. While I continue to believe that the Affordable Care Act should be repealed in its entirety, I am writing specifically to urge you to eliminate the medical device tax.

I am grateful that 79 members of the United States Senate voted to repeal the medical device tax when the Senate budget was considered in March of this year. It sent a strong message about the bipartisan support for repeal. Today, another opportunity has been presented to repeal the medical device tax as part of the Continuing Resolution to fund the federal government for the coming months, and I urge you to support its passage.

Nationwide, the medical device tax will cost America more than 43,000 jobs and reduce pay for workers in medical device companies by more than \$3.5 billion. As a result of this tax, the overall tax rate on medical device companies will be among one of the highest levels faced by any industry in the world. This is especially troubling because it comes on top of a recent regulatory assault on medical device companies. In a recent survey 76 percent of medical device companies said they are bringing products to market outside the U.S. due to our regulatory burden.

As the United States Senate today considers this matter, on behalf of working Hoosiers, I urge the Senate to once again support repealing this onerous and costly tax.

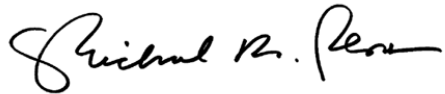
The medical device tax is especially problematic for Indiana because the industry has been a fertile source of job creation in our state. Between 2002 and 2009, the Hoosier state added more than 8,800 life sciences jobs, 5,600 of which were in the medical device sector. Overall, Indiana medical device companies employ 20,000 Hoosiers directly and tens of thousands more indirectly.

The medical device industry in Indiana is important to every Hoosier. Fifty-three percent of the jobs in the industry do not require a college degree, and yet the average job in Indiana's medical device companies pays 56 percent more than the average wage in Indiana.

Hoosiers are already experiencing the negative consequences of the medical device tax. Medical device companies in Indiana have scaled back expansion plans due to the medical device tax. The impact on Hoosiers and medical innovation is direct and startling. In Indiana the tax will mean the elimination of 2,124 medical device industry jobs.

I am very concerned about the continuing impact of the medical device tax on one of Indiana's most innovative and thriving industries. Repeal of the medical device tax will have an immediate effect on Indiana's economy by freeing up companies to create more jobs. I urge you to support legislation in the Senate today that will repeal this tax. Thank you for your consideration and your service to our nation.

Sincerely,

A handwritten signature in black ink, reading "Michael R. Pence". The signature is fluid and cursive, with the first name "Michael" and last name "Pence" clearly legible.

Michael R. Pence
Governor of Indiana